

Benjamin J. Otto (ISB No. 8292)
710 N 6th Street
Boise, ID 83701
Ph: (208) 345-6933 x 12
Fax: (208) 344-0344
botto@idahoconservation.org

RECEIVED
2015 APR 21 PM 2:45
IDAHO PUBLIC
UTILITIES COMMISSION

Attorney for the Idaho Conservation League

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE)	CASE NO. IPC-E-14-17
COMMISSION'S INQUIRY INTO)	
IDAHO POWER COMPANY'S FIXED)	IDAHO CONSERVATION LEAGUE
COST ADJUSTMENT MECHANISM)	
)	COMMENTS

The Idaho Conservation League (ICL) recommends the Commission approve this settlement stipulation regarding Idaho Power's Fixed Cost Adjustment (FCA). ICL applauds the Commission for continuing to support one of the longest operating fixed cost mechanisms in the country. While not without controversy, overall the FCA represents good public policy by separating fixed cost recovery from volumetric energy sales. ICL supports this policy because it balances sending price signals to customers through electric rates while ensuring Idaho Power has an opportunity to recover the fixed costs of service. In this settlement, the signatories agree to four key terms that will improve the mechanics of the FCA today and set a reasonable path forward for continued improvements.

ICL supports altering the FCA to use actual billed sales instead of weather normalized sales. The FCA is intended to ensure Idaho Power annually collects no more and no less than the actual fixed costs for that year. Using weather normalized sales data instead of actual sales data frustrates this purpose. Using actual energy sales will allow stakeholders to determine the actual fixed cost recovery and any necessary true-up.

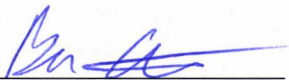
ICL supports Idaho Power's current method for calculating the rate adjustment cap. ICL recommends the Commission endorse this methodology.

ICL agrees with Staff that it is critical to carefully calculate the fixed cost per energy and the fixed cost per customer. ICL also agrees that calculating these values is most appropriate as part of a larger recalculation of base rates and other inputs.

ICL agrees to consider modifications to the rate design for residential and small commercial customers. The design of electric rates serves a variety of purposes and policy goals. For example, one goal is to provide utilities with an opportunity to recover the cost of service. Another common goal is to send price signals to customers to encourage efficient use of the electric system. Today Idaho Power offers a variety of rate designs unique to each customer class. Importantly, these rate designs are not an accident or created by chance. Rather, in a general rate case, stakeholders intentionally design rates to achieve identified goals. ICL agrees that designing rates should be an ongoing process that periodically identifies the goals underlying rate design and ensures current practices and achieving these goals. Another critical step when considering rate design changes is to understand the true cost of service for each customer class. Accordingly, ICL looks forward to reviewing an updated, robust cost of service study and working together with other stakeholders to define rate design goals.

The FCA is a critical piece of Idaho's rate design framework that allows Idaho Power an opportunity to recover costs while sending price signals to customers. This framework is good public policy. The terms of this stipulation will improve the FCA and set a reasonable path forward for further refinements. Accordingly, ICL recommends the Commission approve the stipulation.

Respectfully submitted this 21st day of April 2015,



Benjamin J Otto
Idaho Conservation League

CERTIFICATE OF SERVICE

I hereby certify that on this 21st day of April 2015, I delivered true and correct copies of the foregoing COMMENTS to the following persons via the method of service noted:

Hand delivery:

Jean Jewell
Commission Secretary (Original and 7 copies)
Idaho Public Utilities Commission
427 W. Washington St.
Boise, ID 83702-5983


Electronic Mail:

Lisa D Nordstrom
Zachary L. Harris
Greg Said
Idaho Power Company
1221 West Idaho Street
Boise, Idaho 83707 -0070
lnordstrom@idahopower.com
zharris@idahopower.com
gsaid@idahopower.com

Peter J. Richardson
Richardson Adams, PLLC
515 N. 27th St
Boise, ID 83702
peter@richardsonadams.com

Dr. Don Reading
6070 Hill Rd.
Boise, ID 83703
dreading@mindspring.com

Ken Miller
Snake River Alliance
PO Box 1731
Boise, ID 83701
kmiller@snakeriveralliance.com



Benjamin J. Otto